

Mid-Week Markets Recap: February 17, 2026

Key Takeaways

- Meta bets on a unified Nvidia infrastructure as the backbone for its AI future
 - Demand for hyper-scaler linked CDS rises amid concerns regarding elevated spending
 - After multiple rejections, Warner Bros. gives Paramount one last chance to execute
 - Uber's recent investment plans highlight their intent to expand into new markets
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Nvidia Announces Multi-Year Partnership with Meta

“Meta moves towards implementing a fully unified Nvidia Infrastructure”

Tuesday, Nvidia announced that it would be entering into a multi-year agreement with Meta in which it would supply it the infrastructure necessary to support Meta's build-out of its “hyperscale” data centers. No dollar amount was disclosed for the deal, however Nvidia is expected to supply Meta with millions of its Blackwell and Rubin GPUs along with its CPUs and networking processors.

The significance of this deal is further amplified by observing what Nvidia and Meta are set to get out of it. Meta is not just deploying Nvidia's GPUs in its data centers but is moving toward implementing an entirely new type of infrastructure that resembles a “unified Nvidia architecture.” Not only would Meta be utilizing Nvidia's Spectrum-X networking platform, but they would also be shifting towards deploying Nvidia's Grace and Vera CPUs. Meta is efficiently creating a unified platform that provides its advantages down the road when it comes to efficiency and integration among the infrastructure being developed to support its long-term AI roadmap.

Surge in Credit Derivatives Reflects Growing Concerns over AI-Related Spending

“Demand for single-name and index CDS on tech hyperscalers rises amid concerns over record spending”

As the emergence of artificial intelligence continues to rise, many of the largest tech companies today are being required to spend at record levels in order to stay ahead. Amazon, Alphabet, and Meta were just some of the names that stole the headlines last month after announcing their spending outlook for the year ahead. For reference, borrowing by massive tech companies for 2025 was around \$165 billion. Alphabet in its most recent earnings report, announced that it expects to spend around \$175 - \$185 billion in AI-related expenditures for 2026 alone.

This recent increased concentration of debt issuance has not just grown investor concerns, but also those of lenders. These ‘hyperscalers’ remain among the most resilient and dominant players in the technology sector, yet that strength alone has not eased investor concerns about the scale of their spending and the manner in which it is being financed.

These concerns are what have allowed the recent emergence of credit derivatives as lenders aim to protect their balance sheets and hedge against any perceived risk. Notably, many of these contracts are tied to the issuances of modern high-grade tech giants, a class of derivatives that was virtually non-existent a year ago. In recent weeks, a multitude of these contracts have been centered around Alphabet and Meta, who as previously mentioned, continue to invest at record levels. Appetite for index hedges also continue to rise, and as such some providers have started offering baskets of “hyperscaler” CDS’s in order to satisfy demand. Aggressive AI spending has created a sharp divergence between corporate management and the broader investment community. As a result, lenders and investors are increasingly turning to diversification and hedging to mitigate risk, leaving the market to watch closely whether this capital outlay yields returns or simply drains cash and erodes creditor and investor confidence.

Paramount Remains in the Warner Bros Race

“Despite prior pushback, Warner Bros. presents Paramount one final opportunity”

On December 4, 2025, Netflix announced that it had entered into a definitive agreement with Warner Bros Discovery Inc. (WBD) in which Netflix would acquire the entertainment company. The acquisition would have been funded through a combination of cash and stock, in which Warner Bros. shares were valued at \$27.75 each, leading to a total equity value of \$72 billion and an acquisition price of \$82.7 billion. Initially it seemed as if Netflix was poised to successfully complete this acquisition in the months to come, however shortly after the announcement Paramount provided their own proposal. Paramount submitted an all-cash takeover deal in which WBD shares were valued at \$30, leading to an acquisition price of \$108 billion.

After reviewing the offer submitted by Paramount, Warner Bros. would eventually come to recommend its shareholders to reject the offer currently present, and instead to support the existing agreement with Netflix. The main concern surrounding Paramount’s offer, according to Warner Bros. Board of Directors, was the method of financing that was being utilized to fund the acquisition. Since then, it’s been a multitude of back and forth between the respective companies, with Paramount offering whatever it can, within its limits, to get the deal done.

This Tuesday, the most recent development in this process, signals the possibility of a conclusion. Warner Bros. announced that it would be entering a seven-day period in which it would hold discussions with Paramount to provide them another chance to present their “best and final offer”. Despite finalizing an agreement with Netflix and scheduling a shareholder vote on March 20, Warner Bros. has left the door open for Paramount to submit a competing proposal. Last week, Paramount offered to cover the \$2.8 million termination fee Warner Bros. would owe if it abandoned the Netflix deal and reports today suggest

the company may be preparing a higher bid valuing the shares above \$30. The coming week will be pivotal, as investors look for resolution in the bidding contest between Paramount and Netflix over the potential acquisition of Warner Bros.

Uber to Invest Over \$100 Million in EV-Charging Infrastructure

“In order to stay ahead, Uber is seeing itself invest into the technology of the future”

Early Wednesday morning Uber announced its plan to invest over \$100 million in autonomous vehicle charging stations amid its latest push to enter into the self-driving market. The recent emergence of driverless Waymo cabs and Tesla Robotaxis is beginning to encroach on the resilient consumer base Uber has developed, as many passengers have proclaimed a preference for this mode of transportation. Waymo has cemented itself as the pioneer of this technology, as their entire fleet is autonomous and present in major hubs across the country. Tesla's Robotaxis are still in the testing phase, and despite a past month of unsatisfactory results, they are still on track to be released to the general public this summer. Uber has not yet reached either of these stages, but today's announcement indicates that the company recognizes this and is intent on closing this gap.

Uber doesn't just understand that it has fallen behind, but it also understands that it can't employ the same models that Tesla and Waymo do when it comes to driverless taxis. Uber has always been known for its user-friendly platform that allows its customers to receive on-demand transportation alongside trusted and verified drivers. Emphasis has always been placed on ensuring that the consumer's experience went smoothly, and the key to that has always been the driver. Uber understood this and is now known for its strong platform of verified drivers that help its consumers feel safe.

This is something they don't intend to let go of either in their journey of integrating self-driving vehicles. Rather, this is something they want to coexist with the planned implementation of this new technology, and their recent investment plans depict just that. Most of the spending will be centered around the funding of charging infrastructure, for electric vehicles, in populous city hubs like San Francisco, Los Angeles, and Dallas. The hubs will provide DC-based electric chargers that can be utilized by either "robotaxis" or human drivers and numerically would create 1,000 new electric vehicle chargers globally. There has been a monumental shift in driver preference when it comes to vehicle selection, with many opting toward EVs for their renounced cost savings and reduced maintenance expenses. On the same point, most driverless taxis also utilize EVs for the exact same reason, which is why most are of this form. By focusing its spending on the development of electric vehicle infrastructure, Uber not just provides convenience for its drivers, but also builds the system needed to support their planned venture into the self-driving transportation market.